

Risk Management Bulletin/01-00
May 2000

U.S. ARMY COMMUNITY
AND FAMILY SUPPORT CENTER
Army Central Insurance Fund
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FY2001 INSURANCE RATES APPROVED

The Commander, Community and Family Support Center (CFSC) has approved the Risk Management Program (RIMP) insurance rates for FY2001. Each year RIMP reviews the rates for each line of insurance and, based on the loss experience in each category, rates are adjusted for the coming fiscal year. Rates are established to generate sufficient premium to pay projected losses.

Rate increases for buildings and contents are the result of claims paid in FY1999 for severe weather losses. In May 98, torrential rains caused approximately \$2 million in flood damage to MWR facilities in Korea. In Sep 98, Hurricane George struck Fort Buchanan, causing \$147,000 damage to MWR buildings, contents and the golf course. A tornado struck Fort Campbell in Jan 99, causing \$1.2 million damage, primarily to the guesthouse. Commercial insurance covered much of these losses; however, RIMP paid a total of \$800,000 for the self-insured deductible portion for each claim.

The increases in workers' compensation are the result of the annual actuarial review. There is a significant reduction in the unemployment compensation rate, which will help offset the property and workers' compensation rate increases. Other RIMP rates are reduced or unchanged.

Insurance rates for FY2001 are on a separate page of this bulletin.

LOSS REPORTS TO NAF MANAGERS

Recently, RIMP sent summary reports of claims paid during FY1999 to NAF managers. The loss reports breakout claims by type of loss and MWR program for each installation/community. These loss reports are provided to MWR managers to assist in safety and loss prevention. Although losses such as natural disasters cannot be avoided, many other types of losses can be prevented or minimized. An awareness of loss trends will allow MWR managers to identify areas where increased attention to safety precautions, internal controls and physical security will correct problems and prevent future losses.

The RIMP also recently sent a "Lessons Learned" letter to all NAF managers. The "Lessons Learned" letter is published in an effort to assist NAF managers with safety and loss control, using examples of RIMP claims. This letter highlights food spoilage claims, which cost an average of \$57,000 each year.



CARGO NOTE: BROKER ADDRESS CHANGE

NAFIs that participate in the RIMP Ocean Cargo Program should note a change of name and address for sending shipment declaration forms. The broker has not changed; American Phoenix is now Hilb, Rogal and Hamilton. The new address is:



Hilb, Rogal and Hamilton
303 International Circle, Suite 400
Hunt Valley, MD 21031

SPECIAL EVENTS COVERAGE

Warm weather brings many outdoor MWR special events, such as golf tournaments and concerts. RIMP is able to assist NAFIs with several coverages for special events.

Nonperformance and Event Cancellation Insurance provides coverage if a scheduled performer cancels due to sickness or accident, or if the event has to be cancelled due to adverse weather.

Weather insurance protects events such as carnivals, picnics, fairs and festivals from financial loss due to inclement weather including rain, wind and temperature.

Prize coverage is available for tournaments such as golf, bowling or bingo games. Prize coverage can be purchased for many different events. Recently, we saw a newspaper article about a fishing tournament held in Maryland. A \$10,000 prize was offered to any fisherman who caught a perch tagged with a special winning number. NAFIs may offer large prizes for a variety of special events. Usually, the odds of winning these prizes are great, but prize insurance will pay a lucky player.



The RIMP office is covered during non-business hours only by voice mail on the main number, (703) 681-7314 or DSN 761-7314. Calls to individual staff member numbers will not "roll over" to the main number voice mail.

FY2001 INSURANCE RATES

		<u>RATES</u>
Buildings	Per \$100 value	\$ 0.11
Contents	Per \$100 value	0.25
Vehicles	Per \$100 value	0.65
Aircraft	Per \$100 value	5.85
Fidelity Bond	Per employee	
	Class I	4.35
	Class II	2.25
Money & Securities	Per employee	3.00
General Tort	Per employee	25.00
Vehicle Tort	Per vehicle	185.00
Family Child Care	Per provider	100.00
Aircraft Tort	2 seats	2500.00
	4 seats	4000.00
Parachute Activities		450.00
Cargo	Per \$100 value	0.30
Unemployment Compensation	Percent of payroll	.40
Workers' Compensation	Per \$100 payroll	
	U.S., Puerto Rico	1.85
	Overseas, including Panama	0.60
	Korean Nationals	0.65

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